# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2016**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**A** This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [X]

**D** Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
RETIREMENT INCOME PLAN FOR EMPLOYEES OF EL PASO ELECTRIC COMPANY

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 07/01/1945

**2a** Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)

EL PASO ELECTRIC COMPANY

NATHAN HIRSCHI AS CHAIRMAN OF BENEFITS OVERSIGHT COMMITTEE

P.O. BOX - LOCATION 162
EL PASO, TX 79960

100 N. STANTON - LOCATION 162
EL PASO, TX 79960

**2b** Employer Identification Number (EIN) 74-0607870

**2c** Plan Sponsor's telephone number 915-543-5985

**2d** Business code (see instructions) 221100

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 09/29/2017 | NATHAN HIRSCHI |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

Preparer's name (including firm name, if applicable) and address (include room or suite number)

Preparer's telephone number

| | | |
|---|---|---|
| **3a** Plan administrator's name and address [X] Same as Plan Sponsor | **3b** Administrator's EIN | |
| | **3c** Administrator's telephone number | |
| **4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: | **4b** EIN | |
| **a** Sponsor's name | **4c** PN | |

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 2100 |
| **6** | Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** | Total number of active participants at the beginning of the plan year | **6a(1)** | 1071 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 1092 |
| **b** | Retired or separated participants receiving benefits | **6b** | 604 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 358 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c**. | **6d** | 2054 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 91 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 2145 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 6 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
1A 1C

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

**9a** Plan funding arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

**9b** Plan benefit arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [X] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] ___ **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [X] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

## Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

**11c** Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

# SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

**2016**

**This Form is Open to Public Inspection**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

**A** Name of plan
RETIREMENT INCOME PLAN FOR EMPLOYEES OF EL PASO ELECTRIC COMPANY

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
EL PASO ELECTRIC COMPANY

**D** Employer Identification Number (EIN)
74-0607870

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

## Part I Basic Information

**1** Enter the valuation date: Month 01 Day 01 Year 2016

**2** Assets:

| | | |
|---|---|---|
| **a** Market value | **2a** | 267120811 |
| **b** Actuarial value | **2b** | 281951324 |

**3** Funding target/participant count breakdown

| | (1) Number of participants | (2) Vested Funding Target | (3) Total Funding Target |
|---|---|---|---|
| **a** For retired participants and beneficiaries receiving payment | 656 | 108953469 | 108953469 |
| **b** For terminated vested participants | 373 | 16416331 | 16416331 |
| **c** For active participants | 1071 | 99907228 | 115814962 |
| **d** Total | 2100 | 225277028 | 241184762 |

**4** If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

| | | |
|---|---|---|
| **a** Funding target disregarding prescribed at-risk assumptions | **4a** | |
| **b** Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor | **4b** | |
| **5** Effective interest rate | **5** | 6.04 % |
| **6** Target normal cost | **6** | 7536109 |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN HERE**

Signature of actuary — Date: 09/12/2017

BRANDON J ROBERTSON — Type or print name of actuary

17-07568 — Most recent enrollment number

PRICEWATERHOUSECOOPERS LLP — Firm name

312-298-4143 — Telephone number (including area code)

ONE NORTH WACKER
CHICAGO, IL 60606

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

## Part II Beginning of Year Carryover and Prefunding Balances

| | | (a) Carryover balance | (b) Prefunding balance |
|---|---|---|---|
| 7 | Balance at beginning of prior year after applicable adjustments (line 13 from prior year) | 0 | 30612573 |
| 8 | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) | 0 | 0 |
| 9 | Amount remaining (line 7 minus line 8) | 0 | 30612573 |
| 10 | Interest on line 9 using prior year's actual return of -0.85% | 0 | -260207 |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| a | Present value of excess contributions (line 38a from prior year) | | 6670350 |
| b(1) | Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.23% | | 415563 |
| b(2) | Interest on line 38b from prior year Schedule SB, using prior year's actual return | | 0 |
| c | Total available at beginning of current plan year to add to prefunding balance | | 7085913 |
| d | Portion of (c) to be added to prefunding balance | | 2000000 |
| 12 | Other reductions in balances due to elections or deemed elections | | |
| 13 | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) | 0 | 32352366 |

## Part III Funding Percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 103.48% |
| 15 | Adjusted funding target attainment percentage | 15 | 116.90% |
| 16 | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 16 | 103.54% |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. | 17 | % |

## Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees | (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees |
|---|---|---|---|---|---|
| 01/06/2017 | 894448 | 0 | 07/05/2017 | 800694 | 0 |
| 02/02/2017 | 800694 | 0 | 08/02/2017 | 800694 | 0 |
| 03/02/2017 | 800694 | 0 | 09/05/2017 | 800694 | 0 |
| 04/04/2017 | 800694 | 0 | | | |
| 05/02/2017 | 800694 | 0 | | | |
| 06/02/2017 | 800694 | 0 | | | |
| | | Totals ► 18(b) | | 7300000 | 18(c) 0 |

| | | | |
|---|---|---|---|
| 19 | Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year: | | |
| a | Contributions allocated toward unpaid minimum required contributions from prior years. | 19a | 0 |
| b | Contributions made to avoid restrictions adjusted to valuation date | 19b | 0 |
| c | Contributions allocated toward minimum required contribution for current year adjusted to valuation date | 19c | 6751545 |

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---|---|---|---|
| | | | |

## Part V Assumptions Used to Determine Funding Target and Target Normal Cost

**21** Discount rate:

**a** Segment rates:

| 1st segment: | 2nd segment: | 3rd segment: | |
|---|---|---|---|
| 4.43% | 5.91% | 6.65% | ☐ N/A, full yield curve used |

| | | |
|---|---|---|
| **b** Applicable month (enter code) | **21b** | 0 |
| **22** Weighted average retirement age | **22** | 63 |

**23** Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

## Part VI Miscellaneous Items

| | | |
|---|---|---|
| **24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment | ☐ Yes | ☒ No |
| **25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment | ☐ Yes | ☒ No |
| **26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment | ☒ Yes | ☐ No |

| | | |
|---|---|---|
| **27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment | **27** | |

## Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

| | | |
|---|---|---|
| **28** Unpaid minimum required contributions for all prior years | **28** | 0 |
| **29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) | **29** | 0 |
| **30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) | **30** | 0 |

## Part VIII Minimum Required Contribution For Current Year

**31** Target normal cost and excess assets (see instructions):

| | | |
|---|---|---|
| **a** Target normal cost (line 6) | **31a** | 7536109 |
| **b** Excess assets, if applicable, but not greater than line 31a | **31b** | 7536109 |

**32** Amortization installments:

| | Outstanding Balance | Installment |
|---|---|---|
| **a** Net shortfall amortization installment | 0 | 0 |
| **b** Waiver amortization installment | 0 | 0 |

| | | |
|---|---|---|
| **33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount | **33** | |
| **34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) | **34** | 0 |

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances elected for use to offset funding requirement | 0 | 0 | 0 |

| | | |
|---|---|---|
| **36** Additional cash requirement (line 34 minus line 35) | **36** | 0 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) | **37** | 6751545 |
| **38** Present value of excess contributions for current year (see instructions) | | |
| **a** Total (excess, if any, of line 37 over line 36) | **38a** | 6751545 |
| **b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances | **38b** | 0 |
| **39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) | **39** | 0 |
| **40** Unpaid minimum required contributions for all years | **40** | 0 |

## Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

**41** If an election was made to use PRA 2010 funding relief for this plan:

**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years

**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

| | | |
|---|---|---|
| **42** Amount of acceleration adjustment | **42** | |
| **43** Excess installment acceleration amount to be carried over to future plan years | **43** | |

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2016**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

| **A** Name of plan | **B** Three-digit plan number (PN) ▶ | |
|---|---|---|
| RETIREMENT INCOME PLAN FOR EMPLOYEES OF EL PASO ELECTRIC COMPANY | | 001 |
| **C** Plan sponsor's name as shown on line 2a of Form 5500 | **D** Employer Identification Number (EIN) | |
| EL PASO ELECTRIC COMPANY | 74-0607870 | |

## Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions). . . . . ☐ Yes ☒ No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

RUSSELL INVESTMENTS TRUST COMPANY

91-1116938

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 28 | NONE | 1235701 | Yes ☐ No ☒ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

**(a)** Enter name and EIN or address (see instructions)

WELLS FARGO BANK, N.A.

94-1347393

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 21 | NONE | 47731 | Yes ☐ No ☒ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

**(a)** Enter name and EIN or address (see instructions)

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

| **(b)** Service Code(s) | **(c)** Relationship to employer, employee organization, or person known to be a party-in-interest | **(d)** Enter direct compensation paid by the plan. If none, enter -0-. | **(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | **(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | **(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | **(h)** Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

**(a)** Enter name and EIN or address (see instructions)

| **(b)** Service Code(s) | **(c)** Relationship to employer, employee organization, or person known to be a party-in-interest | **(d)** Enter direct compensation paid by the plan. If none, enter -0-. | **(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | **(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | **(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | **(h)** Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

**(a)** Enter name and EIN or address (see instructions)

| **(b)** Service Code(s) | **(c)** Relationship to employer, employee organization, or person known to be a party-in-interest | **(d)** Enter direct compensation paid by the plan. If none, enter -0-. | **(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | **(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | **(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | **(h)** Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

## Part I Service Provider Information (continued)

**3.** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

## Part II Service Providers Who Fail or Refuse to Provide Information

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2016**

**This Form is Open to Public Inspection.**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**A** Name of plan
RETIREMENT INCOME PLAN FOR EMPLOYEES OF EL PASO ELECTRIC COMPANY

**B** Three-digit plan number (PN) ▶ 001

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
EL PASO ELECTRIC COMPANY

**D** Employer Identification Number (EIN)
74-0607870

## Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL LONG DURATION FIXED INCOME

**b** Name of sponsor of entity listed in (a): RUSSELL INVESTMENTS TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 26-6609096-003 | C | 54701004 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL INTERNATIONAL EQUITY FUND

**b** Name of sponsor of entity listed in (a): RUSSELL INVESTMENTS TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 91-1117282-005 | C | 41740170 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL 1000 INDEX SERIES 1

**b** Name of sponsor of entity listed in (a): RUSSELL INVESTMENTS TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 91-1117282-033 | C | 24960354 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL LARGE CAP US EQUITY FUND

**b** Name of sponsor of entity listed in (a): RUSSELL INVESTMENTS TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 91-1117282-042 | C | 24765657 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL WORLD EQUITY FUND

**b** Name of sponsor of entity listed in (a): RUSSELL INVESTMENTS TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 91-1117282-046 | C | 21182166 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL EQUITY II FUND

**b** Name of sponsor of entity listed in (a): RUSSELL INVESTMENTS TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 91-1117282-006 | C | 18417681 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL EMERGING MARKETS FUND

**b** Name of sponsor of entity listed in (a): RUSSELL INVESTMENTS TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 91-1117282-010 | C | 13014872 |

| | | |
|---|---|---|
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL 8-YR LDI FIXED INCOME FUND | | |
| **b** Name of sponsor of entity listed in (a): RUSSELL INVESTMENTS TRUST COMPANY | | |
| **c** EIN-PN 26-6609096-005 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8873444 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL COMMINGLED EMPLO 10YEAR STR | | |
| **b** Name of sponsor of entity listed in (a): RUSSELL INVESTMENTS TRUST COMPANY | | |
| **c** EIN-PN 26-6609096-010 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8806792 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL COMMINGLED EMPLO 15YEAR STR | | |
| **b** Name of sponsor of entity listed in (a): RUSSELL INVESTMENTS TRUST COMPANY | | |
| **c** EIN-PN 26-6609096-011 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8785472 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL GL REAL ESTATE SEC FUND | | |
| **b** Name of sponsor of entity listed in (a): RUSSELL INVESTMENTS TRUST COMPANY | | |
| **c** EIN-PN 91-1117282-041 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8406287 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL 10-YR LDI FIXED INCOME FUND | | |
| **b** Name of sponsor of entity listed in (a): RUSSELL INVESTMENTS TRUST COMPANY | | |
| **c** EIN-PN 26-6609096-006 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 6539700 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL 6-YR LDI FIXED INCOME FUND | | |
| **b** Name of sponsor of entity listed in (a): RUSSELL INVESTMENTS TRUST COMPANY | | |
| **c** EIN-PN 26-6609096-004 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 6525548 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL 16-YR LDI FIXED INCOME FUND | | |
| **b** Name of sponsor of entity listed in (a): RUSSELL INVESTMENTS TRUST COMPANY | | |
| **c** EIN-PN 26-6609096-009 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5467190 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL 14-YR LDI FIXED INCOME FUND | | |
| **b** Name of sponsor of entity listed in (a): RUSSELL INVESTMENTS TRUST COMPANY | | |
| **c** EIN-PN 26-6609096-008 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5456012 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL 12-YR LDI FIXED INCOME FUND | | |
| **b** Name of sponsor of entity listed in (a): RUSSELL INVESTMENTS TRUST COMPANY | | |
| **c** EIN-PN 26-6609096-007 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4200510 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: | | |
| **b** Name of sponsor of entity listed in (a): | | |
| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |

## Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

**a** Plan name RETIREMENT INCOME PLAN FOR EMPLOYEES OF EL PASO ELECTRIC COMPANY

**b** Name of plan sponsor EL PASO ELECTRIC COMPANY | **c** EIN-PN 74-0607870-001

**a** Plan name

**b** Name of plan sponsor | **c** EIN-PN

**a** Plan name

**b** Name of plan sponsor | **c** EIN-PN

**a** Plan name

**b** Name of plan sponsor | **c** EIN-PN

**a** Plan name

**b** Name of plan sponsor | **c** EIN-PN

**a** Plan name

**b** Name of plan sponsor | **c** EIN-PN

**a** Plan name

**b** Name of plan sponsor | **c** EIN-PN

**a** Plan name

**b** Name of plan sponsor | **c** EIN-PN

**a** Plan name

**b** Name of plan sponsor | **c** EIN-PN

**a** Plan name

**b** Name of plan sponsor | **c** EIN-PN

**a** Plan name

**b** Name of plan sponsor | **c** EIN-PN

**a** Plan name

**b** Name of plan sponsor | **c** EIN-PN

**a** Plan name

**b** Name of plan sponsor | **c** EIN-PN

# SCHEDULE H (Form 5500)

Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2016**

**This Form is Open to Public Inspection**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**A** Name of plan
RETIREMENT INCOME PLAN FOR EMPLOYEES OF EL PASO ELECTRIC COMPANY

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
EL PASO ELECTRIC COMPANY

**D** Employer Identification Number (EIN)
74-0607870

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | | |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | 1075972 | 928496 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 189900 | 4096 |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | 8585280 | 6990562 |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | | |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 250180776 | 261842859 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | | |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 260031928 | 269766013 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | 327395 | 328640 |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 327395 | 328640 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 259704533 | 269437373 |

## Part II Income and Expense Statement

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

| | Income | | (a) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 7300000 | |
| | **(B)** Participants | 2a(1)(B) | | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 7300000 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 62 | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 62 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | 60 | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 60 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 6791 | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | 0 | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 6791 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | -819732 | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | -819732 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | 20635959 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 27123140 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 15791778 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | | |
| (3) Other | 2e(3) | | |
| (4) Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 15791778 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | 1235701 | |
| (4) Other | 2i(4) | 362821 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 1598522 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 17390300 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 9732840 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

**(1)** [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

**(1)** Name: KPMG LLP **(2)** EIN: 13-5565207

**d** The opinion of an independent qualified public accountant is **not attached** because:

**(1)** [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

## Part IV Compliance Questions

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |
| **b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| c | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| d | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | 50000000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| g | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| h | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| i | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| j | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | X | | |
| k | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| n | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3 | 4n | | | |
| o | Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service? | 4o | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

**5c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4013001 . (See instructions.)

## Part V Trust Information

| **6a** Name of trust | **6b** Trust's EIN |
|---|---|
| | |

| **6c** Name of trustee or custodian | **6d** Trustee's or custodian's telephone number |
|---|---|
| | |

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2016**

**This Form is Open to Public Inspection.**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**A** Name of plan
RETIREMENT INCOME PLAN FOR EMPLOYEES OF EL PASO ELECTRIC COMPANY

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
EL PASO ELECTRIC COMPANY

**D** Employer Identification Number (EIN)
74-0607870

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 94-1347393

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... **3** 17

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6** **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11** **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

**14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

| | | |
|---|---|---|
| **a** The current year | **14a** | |
| **b** The plan year immediately preceding the current plan year | **14b** | |
| **c** The second preceding plan year | **14c** | |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

## Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

**19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

**a** Enter the percentage of plan assets held as:
Stock: 57.0 % Investment-Grade Debt: 41.0 % High-Yield Debt: _____ % Real Estate: _____ % Other: 2.0 %

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☒ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate line 19(b)?
☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

## Part VII IRS Compliance Questions

| | |
|---|---|
| **20a** Is the plan a 401(k) plan? If "No," skip b | ☐ Yes ☐ No |
| **20b** How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply: | ☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A |
| **21a** What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply: | ☐ Ratio percentage test ☐ Average benefit test ☐ N/A |
| **21b** Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules? | ☐ Yes ☐ No |

**22a** If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter ____/____/____ and the serial number _____.

**22b** If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter ____/____/____.

# RETIREMENT INCOME PLAN
# FOR EMPLOYEES OF EL PASO ELECTRIC COMPANY

Financial Statements and Supplemental Schedules

December 31, 2016 and 2015

(With Independent Auditors' Report Thereon)

**RETIREMENT INCOME PLAN**
**FOR EMPLOYEES OF EL PASO ELECTRIC COMPANY**

**Table of Contents**


| | Page |
|---|---|
| Independent Auditors' Report | 1 |
| Financial Statements: | |
| Statements of Net Assets Available for Benefits, December 31, 2016 and 2015 | 3 |
| Statements of Changes in Net Assets Available for Benefits, Years ended December 31, 2016 and 2015 | 4 |
| Statement of Accumulated Plan Benefits, December 31, 2015 | 5 |
| Statement of Changes in Accumulated Plan Benefits, Year ended December 31, 2015 | 6 |
| Notes to Financial Statements, December 31, 2016 and 2015 | 7 |
| **Supplemental Schedules:** | |
| Schedule I – Schedule H, Line 4i – Schedule of Assets (Held at End of Year), December 31, 2016 | 19 |
| Schedule II – Schedule H, Line 4j – Schedule of Reportable Transactions (Series of Investment Transactions), Year ended December 31, 2016 | 20 |


All other supplemental schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted because they are not applicable or required.

KPMG LLP
Two Park Square, Suite 700
6565 Americas Parkway, N.E.
Albuquerque, NM 87110-8179

# Independent Auditors' Report

The Benefits Oversight Committee
of the Retirement Income Plan for
Employees of El Paso Electric Company:

## Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Retirement Income Plan for Employees of El Paso Electric Company (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years then ended, and the statement of accumulated plan benefits as of December 31, 2015 and the related statement of changes in accumulated plan benefits for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### *Basis for Disclaimer of Opinion*

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in note 7 to the financial statements, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets. The plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2016 and 2015, that the information provided to the plan administrator by the trustee is complete and accurate.

### *Disclaimer of Opinion*

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

KPMG LLP is a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

*Other Matters*

The supplemental schedules of (1) Schedule H, Line 4i – Schedule of Assets (held at end of year) as of December 31, 2016 and (2) Schedule H, Line 4j – Schedule of Reportable Transactions (Series of investment transactions) for the year ended December 31, 2016 are required by the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

**Report on Form and Content in Compliance with DOL Rules and Regulations**

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

KPMG LLP

Albuquerque, New Mexico
September 29, 2017

**RETIREMENT INCOME PLAN**
**FOR EMPLOYEES OF EL PASO ELECTRIC COMPANY**

Statements of Net Assets Available for Benefits

December 31, 2016 and 2015

| | 2016 | 2015 |
|---|---|---|
| Assets: | | |
| Investments, at fair value: | | |
| Cash and cash equivalents | $ 4,096 | 189,900 |
| Investments, at net asset value: | | |
| Common collective trusts | 261,842,859 | 250,180,776 |
| Limited partnership interest | 6,990,562 | 8,585,280 |
| Total investments | 268,837,517 | 258,955,956 |
| Receivables: | | |
| Unsettled sales of securities | 928,484 | 1,075,771 |
| Other receivable | 12 | 201 |
| Total receivables | 928,496 | 1,075,972 |
| Total assets | 269,766,013 | 260,031,928 |
| Liabilities: | | |
| Accrued expenses | 328,640 | 327,395 |
| Total liabilities | 328,640 | 327,395 |
| Net assets available for benefits | $ 269,437,373 | 259,704,533 |

See accompanying notes to financial statements.

**RETIREMENT INCOME PLAN**
**FOR EMPLOYEES OF EL PASO ELECTRIC COMPANY**

Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2016 and 2015

| | 2016 | 2015 |
|---|---|---|
| Additions: | | |
| Employer contributions | $ 7,300,000 | 9,000,000 |
| Other income | 122 | 118 |
| Net appreciation (depreciation) in fair value of investments | 19,823,018 | (2,267,517) |
| Total additions | 27,123,140 | 6,732,601 |
| Deductions: | | |
| Benefits paid | 15,791,778 | 18,144,734 |
| Investment management and professional fees | 1,235,701 | 1,307,743 |
| Pension Benefit Guaranty Corporation premiums | 315,090 | 117,135 |
| Trustee and agent fees | 47,731 | 48,468 |
| Total deductions | 17,390,300 | 19,618,080 |
| Increase (decrease) in net assets available for benefits | 9,732,840 | (12,885,479) |
| Net assets available for benefits, beginning of year | 259,704,533 | 272,590,012 |
| Net assets available for benefits, end of year | $ 269,437,373 | 259,704,533 |

See accompanying notes to financial statements.

**RETIREMENT INCOME PLAN**
**FOR EMPLOYEES OF EL PASO ELECTRIC COMPANY**

Statement of Accumulated Plan Benefits

December 31, 2015

| | | |
|---|---|---|
| Actuarial present value of accumulated benefits: | | |
| Vested benefits: | | |
| Participants currently receiving payments | $ | 104,527,953 |
| Other participants | | 107,667,758 |
| | | 212,195,711 |
| Nonvested benefits | | 14,459,418 |
| Total actuarial present value of accumulated benefits | $ | 226,655,129 |

See accompanying notes to financial statements.

**RETIREMENT INCOME PLAN**
**FOR EMPLOYEES OF EL PASO ELECTRIC COMPANY**

Statement of Changes in Accumulated Plan Benefits

Year ended December 31, 2015

| | | |
|---|---|---|
| Actuarial present value of accumulated benefits at beginning of year | $ | 213,130,422 |
| Increase (decrease) during the year attributable to: | | |
| Benefits paid | | (18,144,734) |
| Benefits accumulated | | 5,823,112 |
| Change in actuarial assumptions | | 10,524,640 |
| Increase for interest due to the decrease in the discount period | | 15,321,689 |
| Actuarial present value of accumulated benefits at end of year | $ | 226,655,129 |

See accompanying notes to financial statements.

## (1) Description of Plan

The following description of the Retirement Income Plan for Employees of El Paso Electric Company (the Plan) provides only general information. Participants should refer to the plan document for a complete description of the Plan's provisions.

### *(a) General*

The Plan was established on July 1, 1945 and, as amended and restated, provides retirement and death benefits for qualified employees of the El Paso Electric Company (the Company). The Plan is a noncontributory defined-benefit plan. Starting January 31, 2014, benefits are payable under a contract with Wells Fargo Bank, N.A. (Wells Fargo or the Trustee). Assets of the Plan are held by a trustee. The Trustee has full discretionary authority to trade all assets within the Plan and to the extent such power has been delegated to the investment manager by the Benefits Oversight Committee of the Company.

### *(b) Benefit Vesting*

i. Final Average Pay Plan

The Final Average Pay Plan applies to all employees who were hired or rehired prior to January 1, 2014 on their employment or reemployment commencement date and elected to continue participating in the Final Average Pay Plan, after they have completed a 12-month period during which they have worked 1,000 hours. A participant becomes fully vested after 5 years of employment during which they complete 1,000 hours of service per year. Normal retirement is age 65. However, an employee may elect early retirement status at age 62 after 20 years of vesting service with no reduction in benefits or at age 55 after 5 years of vesting service with a reduction in benefits no greater than 50%. In addition, an employee may retire at or after age 55 with no reduction in benefits, provided the employee's age plus years of vesting service equal or exceed 85 on the date of retirement.

ii. Cash Balance Plan

Effective April 1, 2014, all employees who were hired or rehired on or after April 1, 2014 become a Cash Balance participant on their employment or reemployment commencement date. All employees who were hired or rehired after December 31, 2013 and before April 1, 2014 became a Cash Balance participant on April 1, 2014. Employees hired prior to January 1, 2014, had the option of converting from a Final Average Pay participant to a Cash Balance participant effective April 1, 2014. A Cash Balance participant becomes fully vested after 3 years of employment during which they complete 1,000 hours of service per year.

A fully vested Cash Balance participant may elect to receive their total accrued benefit (equal to their Cash Balance Account, plus their frozen Final Average Pay accrued benefit, if applicable) at any age after termination of employment. Cash Balance participants have the option of receiving their accrued benefit in a single lump-sum payment, or in one of several monthly annuity forms of payment. If a lump sum is elected, the onetime payment is equal to the accumulated balance of the participant's Cash Balance Account, plus the present value of the Final Average Pay accrued benefit, if applicable, based on the assumptions for actuarial equivalence defined in the plan document. If an annuity form of payment is elected, the Cash Balance Account is converted to the monthly annuity option selected based on the assumptions for actuarial equivalence defined in the plan document, plus the Final Average Pay accrued benefit with adjustments for annuity form and age at commencement as applicable. Specific early retirement reduction percentages are applicable to the Final Average Pay accrued benefit between ages 55 and 65, and an additional actuarially equivalent reduction applies if the benefit is commenced prior to age 55.

### *(c) Contributions*

The Company's contributions are initially determined based upon the amounts required to be funded under provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as determined by the Plan's actuary in accordance with the provisions of the Plan. The Company's contributions for 2016 and 2015 met the minimum funding requirement of ERISA.

In September 2016, the Benefits Oversight Committee designated $7,300,000 of contributions paid to the Plan in 2016 to be for the 2015 plan year. These contributions have been recorded in the financial statements for the year ended December 31, 2016 and reported within the 2015 Form 5500 in Schedule SB.

### *(d) Pension Benefits*

i. Final Average Pay Plan

The normal benefit under the Final Average Pay Plan is an amount equal to 1.25% of the participant's final average monthly earnings (as defined by the Plan), up to limits set by the Internal Revenue Code of 1986 (IRC), as amended, as of the participant's date of retirement, separation from employment, death, or disability multiplied by a participant's number of years of service (as defined by the Plan). A participant may select from several forms of payment upon retirement. A participant's spouse also may be eligible for benefits under the Final Average Pay Plan, including preretirement survivor benefits based on and depending upon the participant's age, years of service, and employment status at time of death. A disabled participant is entitled to a monthly retirement income commencing on normal or early retirement date. Certain benefits provided under the Plan are guaranteed by the Pension Benefit Guaranty Corporation (PBGC).

ii. Cash Balance Plan

The normal benefit under the Cash Balance Plan consists of pay credits and interest credits received by participants on their cash balance accounts. The pay crediting rate is based on a participant's age and years of vesting service and the range is between 3% and 9% of a participant's base pay. The interest credit is based on a 30-year Treasury Bond Rate, but not less

than 3.8% for the plan year. A participant's cash balance account will receive pay credits as of the last day of the plan year whereas interest credits will be applied as of the last day of each month. A participant may select from several forms of payment upon retirement including a lump-sum distribution. A participant's spouse or beneficiary also may be eligible for benefits under the Cash Balance Plan. A disabled participant is entitled to a retirement benefit commencing immediately after becoming totally and permanently disabled. Certain benefits provided under the Plan are guaranteed by the PBGC.

***(e) Plan Administration***

The Benefits Oversight Committee, appointed by the Company, administers the Plan as plan administrator. The plan administrator selected a professional investment manager for the Plan. The investment manager has full discretionary authority to direct the investment of plan assets held in trust within guidelines prescribed by the plan administrator through the Plan's investment policy statement and in accordance with ERISA and Department of Labor (DOL) regulations. Wells Fargo serves as trustee, manages plan assets, administers the payment of benefits, and maintains the Plan's records.

***(f) Plan Termination***

The Company has not expressed any intent to terminate the Plan, but reserves the right to change or discontinue the Plan. If the Plan is terminated or contributions discontinued, plan members will be fully vested in their rights under the Plan to the extent then funded, in order of preference specified in the Plan and as prescribed by ERISA and related DOL regulations. Should the Plan terminate at some future time, the payment of a participant's accumulated plan benefits depends on the priority of those benefits, the sufficiency at that time of the Plan's net assets to provide those benefits, and the level of benefits guaranteed by the PBGC at that time.

Additional information regarding the priority of participants' claims to the assets of the Plan upon termination and benefits guaranteed by the PBGC is available from the plan administrator.

**(2) Summary of Significant Accounting Policies**

***(a) Basis of Presentation***

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

***(b) Use of Estimates***

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein; disclosure of contingent assets and liabilities; and the actuarial present value of accumulated plan benefits at the date of the financial statements, and changes therein. Actual results could differ from those estimates.

### *(c) Investment Valuation*

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See note 6 for discussion of fair value measurements.

*Common Collective Trusts*

Common collective trusts are valued using the Net Asset Value (NAV) provided by the administrator of the fund. The funds are reported at the NAV of units held and the NAV is based on the estimated fair value of the underlying investments of each respective fund. See note 6.

*Limited Partnership Interest*

On December 28, 2007, the Plan purchased a limited partnership interest in the Texas Land Fund No. 6 L.P. The limited partnership interest fair value used NAV as a practical expedient. See note 6.

### *(d) Security Transactions and Investment Income*

Security transactions are accounted for on a trade-date basis. Gains and losses on security transactions are the difference between proceeds received and cost determined on a moving average basis. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

### *(e) Administrative Expenses*

Direct expenses incurred in the administration of the Plan are generally paid by the Plan, with the exception of certain legal and professional fees that are paid by the Company.

### *(f) Tax Status*

The Internal Revenue Service (IRS) has determined and informed the Company, by a letter dated May 18, 2017, that the Plan is designed in accordance with applicable sections of the IRC. The Company believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. No provision for federal income taxes has been made at December 31, 2016 and 2015.

GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2016 and 2015, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2013.

## (3) Actuarial Assumptions

The actuarial cost method utilized for ASC 960 accounting purposes is the Unit Credit Actuarial Cost Method. Under this cost method, the liability is defined as the present value of the accrued benefits on the valuation date.

*Actuarial Present Value of Accumulated Plan Benefits*

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are accumulated based on employees' years of credited service and final average compensation. The accumulated plan benefits for active employees will equal the accumulation, with interest, of the annual benefit accruals as of the benefit information date. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from plan assets are excluded from accumulated plan benefits. The actuarial present value of accumulated plan benefits is determined by an independent actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounting for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used to calculate the actuarial present value of accumulated plan benefits as of December 31, 2015 (the date of the most recent valuation) were as follows:

(a) Life expectancy was based on the RP-2014 Total Data Set Mortality Tables (with projection from 2006 to 2014 using Scale MP-2014 improvement removed), then projected generationally using Scale MP-2015.

(b) An investment return (i.e. discount rate) of 7.0% per annum.

(c) The following are sample rates of assumed withdrawal and disability:

| Percentage of employees withdrawing from employment during the year of age shown | | | |
|---|---|---|---|
| **Attained age** | **Males** | **Females** | **Percentage disabled (Male and Female)** |
| 20 | 7.5 % | 9.0 % | 0.14 % |
| 25 | 7.5 | 9.0 | 0.15 |
| 30 | 7.5 | 9.0 | 0.16 |
| 35 | 6.0 | 9.0 | 0.19 |
| 40 | 4.5 | 9.0 | 0.30 |
| 45 | 3.0 | 6.0 | 0.45 |
| 50 | 1.5 | 3.0 | 0.69 |

(d) The following are sample rates of assumed retirement:

| Percentage of employees retiring from employment during the year of age shown | | | |
|---|---|---|---|
| **Attained age** | **Reduced early retirement** | **Unreduced retirement** | **Terminated vested participants** |
| 55 | 5.0 % | 15.0 % | 5.0 % |
| 56–59 | 5.0 | 10.0 | 5.0 |
| 60 | 5.0 | 15.0 | 5.0 |
| 61 | 5.0 | 10.0 | 5.0 |
| 62 | 20.0 | 25.0 | 20.0 |
| 63 | 10.0 | 10.0 | 10.0 |
| 64 | 10.0 | 25.0 | 10.0 |
| 65–69 | — | 75.0 | 100.0 |
| 70 | — | 100.0 | 100.0 |

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. As permitted under ASC 960, the computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2016. Had the valuation been performed as of December 31, 2015, there would be no material differences.

**(4) Related-Party Transactions (Parties-in-Interest)**

As of December 31, 2016 and 2015, the Plan held an investment in a money market fund of an affiliate of the Trustee of the Plan. The investment had fair values of $3,641 and $8,162 as of December 31, 2016 and

2015, respectively. The Plan purchased money market funds of affiliates of the Trustee in the amounts of $11,128,699 and $11,872,636 during 2016 and 2015, respectively. The Plan sold securities in the amounts of $11,133,220 and $12,230,979 during 2016 and 2015, respectively. For the years ended December 31, 2016 and 2015, the Plan paid the Trustee $47,731 and $48,468 in expenses, respectively, reflected as Trustee and agent fees in the Statement of Changes in Net Assets Available for Benefits.

As of December 31, 2016 and 2015, the Plan did not hold any investments in equity securities of affiliates of the Trustee of the Plan. The Plan did not purchase or sell any equity securities of affiliates of the Trustee during 2016 and 2015.

## (5) Risks and Uncertainties

The Plan may invest in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

## (6) Fair Value Measurements

FASB guidance establishes a framework for measuring fair value and the related disclosures about fair value measurements of plan assets and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

Level 1 – Valuation is based upon quoted prices for identical securities in active markets which the Plan has the ability to access.

Level 2 – Valuation is based upon other significant observable inputs (including quoted prices of similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – Valuation is based upon significant unobservable inputs (including the Plan's own assumptions in determining the fair value of investments).

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

*Money market fund*: Valued at daily closing price as reported by the fund and is categorized as Level 1.

*Common collective trusts*: Valued at the NAV of units held. The NAV, as provided by the administrator of the fund, is used to estimate fair value. The NAV is based on the current fair value of the common collective trusts' underlying net assets. Unit values are determined by the financial institution sponsoring such funds by dividing the fund's net assets at fair value by its units outstanding at the valuation dates. The NAV price is quoted on a restrictive market although the underlying investments are traded on active

markets. The investments in the common collective trusts have a readily determinable fair value and are categorized as Level 1.

*Limited partnership interest*: Valued at NAV as a practical expedient for fair value.

The fair value and the level within the three levels of the fair value hierarchy defined by FASB guidance in fair value measurement are presented in the tables below:

| Description of securities | Value as of December 31, 2016 | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| Cash and cash equivalents | $ 4,096 | 4,096 | — | — |
| Common collective trusts: | | | | |
| Equity funds | 144,080,900 | 144,080,900 | — | — |
| Fixed income funds | 109,355,672 | 109,355,672 | — | — |
| Real estate funds | 8,406,287 | 8,406,287 | — | — |
| Total common collective trusts | 261,842,859 | 261,842,859 | — | — |
| Limited partnership interest, at NAV (a) | 6,990,562 | — | — | — |
| Total investments, at fair value | $ 268,837,517 | 261,846,955 | — | — |



(Continued)

| Description of securities | Value as of December 31, 2015 | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| Cash and cash equivalents | $ 189,900 | 189,900 | — | — |
| Common collective trusts: | | | | |
| Equity funds | 144,278,637 | 144,278,637 | — | — |
| Fixed income funds | 103,877,243 | 103,877,243 | — | — |
| Real estate funds | 2,024,896 | 2,024,896 | — | — |
| Total common collective trusts | 250,180,776 | 250,180,776 | — | — |
| Limited partnership interest, at NAV (a) | 8,585,280 | — | — | — |
| Total investments, at fair value | $ 258,955,956 | 250,370,676 | — | — |

(a) In accordance with ASU 2015-07 Subtopic 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

There were no transfers in or out of Level 1, 2, or 3 fair value measurements categories due to changes in observable inputs for the years ended December 31, 2016 and 2015.

*Common Collective Trusts*

The common collective trusts are reported at December 31, 2016 at the NAV of units held. The NAV is based on the estimated fair value of the common collective trusts' underlying investments. The common collective trusts are invested in equity or fixed income securities, or a combination thereof. The investment objective of each trust is to produce returns in excess of, or commensurate with, its predefined index.


(Continued)

The following table sets forth a summary of the Plan's common collective trusts investments at fair value using the NAV as of December 31, 2016:

| | Fair value | Unfunded commitments | Redemption frequency | Redemption notice period |
|---|---|---|---|---|
| | | | | * |
| Russell 6-Year LDI Fixed Income Fund | $ 6,525,548 | None | Daily | T-1 |
| Russell 8-Year LDI Fixed Income Fund | 8,873,444 | None | Daily | T-1 |
| Russell 10-Year LDI Fixed Income Fund | 6,539,700 | None | Daily | T-1 |
| Russell 12-Year LDI Fixed Income Fund | 4,200,510 | None | Daily | T-1 |
| Russell 14-Year LDI Fixed Income Fund | 5,456,012 | None | Daily | T-1 |
| Russell 16-Year LDI Fixed Income Fund | 5,467,190 | None | Daily | T-1 |
| Russell TR CO Commingled Emplo 10-Year Strips | 8,806,792 | None | Daily | T-1 |
| Russell TR CO Commingled Emplo 15-Year Strips | 8,785,472 | None | Daily | T-1 |
| Russell Long Duration Fixed Income Fund | 54,701,004 | None | Daily | T-1 |
| Russell 1000 Index Series 1 | 24,960,354 | None | Daily | T-1 |
| Russell Large Cap US Equity Fund | 24,765,657 | None | Daily | T-1 |
| Russell Emerging Markets Fund | 13,014,872 | None | Daily | T-1 |
| Russell Equity II Fund | 18,417,681 | None | Daily | T-1 |
| Russell International Equity Fund | 41,740,170 | None | Daily | T-1 |
| Russell World Equity Fund | 21,182,166 | None | Daily | T-1 |
| Russell GL Real Estate SEC Fund | 8,406,287 | None | Daily | T-1 |
| Total | $ 261,842,859 | | | |

* Represents the settlement period. T represents the date of the transaction. T-1 means the transaction date less one business day.

*Limited Partnership Interest*

The limited partnership interest fair value is reported at December 31, 2016 and 2015 at NAV as a practical expedient. The limited partnership invests in undeveloped real property in Texas suitable for development or redevelopment. The investments are primarily in the Houston metropolitan area, and to a lesser extent in other urban and suburban areas in the state of Texas.


(Continued)

Distributions can be made at such times as JM Equity Venture No. 3, Ltd. (the General Partner) deems appropriate, subject to payment of partnership expenses and reasonable reserves for payment of anticipated future expenses. The partnership interests cannot be transferred or assigned except in limited circumstances and only with the consent of the General Partner as set forth in the partnership agreement.

| | Fair value | Unfunded commitments | Redemption frequency | Redemption notice period |
|---|---|---|---|---|
| Texas Land Fund No. 6 L.P. | | | | |
| December 31, 2016 | $ 6,990,562 | — | (a) | (a) |

(a) A withdrawal of the investment in the limited partnership by the Plan is not permitted during the term of the partnership, which is initially seven years ending June 30, 2014, but the General Partner, in its discretion, had the right to extend the term of the partnership for an additional two years thereafter. The partnership term expired on June 30, 2016. Upon contract termination, dissolution of the partnership commenced and, as a result, the General Partner will make every effort to sell the remaining inventory as soon as possible at the highest pricing possible.

The change in NAV of the investment in the limited partnership interest for the years ended December 31, 2016 and 2015, resulted in an unrealized loss in fair value recognized in income and is reflected in the statements of changes in net assets available for benefits as net depreciation in fair value of investments. The distribution represents the proceeds from the sale of land, which remains in the Plan and is reflected as cash and cash equivalents in the statements of net assets available for benefits. The following table reflects the changes during the period for the limited partnership interest:

| | 2016 | 2015 |
|---|---|---|
| Limited partnership interest at beginning of year | $ 8,585,280 | 8,741,803 |
| Unrealized loss in NAV recognized in net depreciation in fair value of investments | (819,732) | (156,523) |
| Distributions | (774,986) | — |
| Limited partnership interest at end of year | $ 6,990,562 | 8,585,280 |

## (7) Certification by Plan Trustee

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Investments and unsettled sales of securities at December 31, 2016 and 2015 and net appreciation (depreciation) in fair value investments for the years ended December 31, 2016 and 2015, excluding the fair value and net appreciation (depreciation) of fair value of the Texas Land Fund No. 6 L.P. investment, that are included in the accompanying financial statements, notes to financial statements, and supplemental schedules were obtained or derived from information supplied to the plan administrator and certified as complete and accurate by the Trustee of the Plan.


(Continued)

## (8) Subsequent Events

In September 2017, the Benefits Oversight Committee designated $7,300,000 of contributions paid to the Plan in 2017 to be for the 2016 plan year. These contributions will be recorded in the financial statements for the year ended December 31, 2017 and reported within the 2016 Form 5500 in Schedule SB.

The Plan has evaluated subsequent events from the balance sheet date through September 29, 2017, the date at which the financial statements were available to be issued, and determined there are no other items to disclose.

**Schedule I**

**RETIREMENT INCOME PLAN**
**FOR EMPLOYEES OF EL PASO ELECTRIC COMPANY**

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2016

| (a) | (b) Identity of issuer, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | Cash and cash equivalents: | | | |
| | Cash | | $ 455 | 455 |
| * | Wells Fargo Advantage 100% Treasury Money Market | Money market fund, 0.20% at December 31, 2016 | 3,641 | 3,641 |
| | Total cash and cash equivalents | | 4,096 | 4,096 |
| | Common collective trusts: | | | |
| | Equity funds: | | | |
| | Russell 1000 Index Series 1 | 1,013,824.3 equity fund shares | 22,128,857 | 24,960,354 |
| | Russell Large Cap US Equity Fund | 1,044,964.4 equity fund shares | 19,813,290 | 24,765,657 |
| | Russell Emerging Markets Fund | 167,674.2 equity fund shares | 13,280,033 | 13,014,872 |
| | Russell Equity II Fund | 139,570.2 equity fund shares | 12,184,144 | 18,417,681 |
| | Russell International Equity Fund | 728,068.5 equity fund shares | 36,449,483 | 41,740,170 |
| | Russell World Equity Fund | 1,265,362.4 equity fund shares | 17,350,043 | 21,182,166 |
| | Total equity funds | | 121,205,850 | 144,080,900 |
| | Fixed income funds: | | | |
| | Russell 6-Year LDI Fixed Income Fund | 580,564.8 fixed income fund shares | 6,049,738 | 6,525,548 |
| | Russell 8-Year LDI Fixed Income Fund | 783,873.1 fixed income fund shares | 8,156,174 | 8,873,444 |
| | Russell 10-Year LDI Fixed Income Fund | 563,281.6 fixed income fund shares | 5,787,797 | 6,539,700 |
| | Russell 12-Year LDI Fixed Income Fund | 361,801.0 fixed income fund shares | 3,715,220 | 4,200,510 |
| | Russell 14-Year LDI Fixed Income Fund | 469,132.6 fixed income fund shares | 4,773,367 | 5,456,012 |
| | Russell 16-Year LDI Fixed Income Fund | 460,588.9 fixed income fund shares | 4,711,469 | 5,467,190 |
| | Russell TR CO Commingled Emplo 10-Year Strips | 822,296.2 fixed income fund shares | 8,417,268 | 8,806,792 |
| | Russell TR CO Commingled Emplo 15-Year Strips | 797,953.9 fixed income fund shares | 8,284,973 | 8,785,472 |
| | Russell Long Duration Fixed Income Fund | 2,187,165.3 fixed income fund shares | 48,989,998 | 54,701,004 |
| | Total fixed income funds | | 98,886,004 | 109,355,672 |
| | Real estate fund: | | | |
| | Russell GL Real Estate SEC Fund | 348,663.9 real estate fund shares | 8,239,594 | 8,406,287 |
| | Total real estate fund | | 8,239,594 | 8,406,287 |
| | Total common collective trusts | | 228,331,448 | 261,842,859 |
| | Limited partnership interest: | | | |
| | Texas Land Fund No. 6 L.P. | 134 partnership units | 6,725,048 | 6,990,562 |
| | Total Limited partnership interest | | 6,725,048 | 6,990,562 |
| | Total assets held for investment purposes | | $ 235,060,592 | 268,837,517 |

* Represents a party-in-interest investment.

The above information has been certified as complete and accurate by the Trustee, excluding the Texas Land Fund No. 6 L.P.

See accompanying independent auditors' report.

**Schedule II**

**RETIREMENT INCOME PLAN**
**FOR EMPLOYEES OF EL PASO ELECTRIC**

Schedule H, Line 4j – Schedule of Reportable Transactions (Series of Investment Transactions)

Year ended December 31, 2016

| (a) Identity of party involved | (b) Description of asset | (c) Purchase price | (d) Selling price | (e) Lease rental | (f) Expenses incurred with transaction | (g) Cost of asset | (h) Current value of asset on transaction date | (i) Net gain or (loss) |
|---|---|---|---|---|---|---|---|---|
| Series of investment transactions: | | | | | | | | |
| Wells Fargo 100% Treasury Money Market | Money market fund: | | | | | | | |
| | Purchases | $ 11,128,699 | — | — | — | 11,128,699 | 11,128,699 | — |
| | Sales | — | 11,133,220 | — | — | 11,133,220 | 11,133,220 | — |

This schedule includes series of transactions involving the same investment, which, in the aggregate, amounts to more than 5% of the current value of plan assets at the beginning of the plan year.

The above information has been certified as complete and accurate by the Trustee.

See accompanying independent auditors' report.

Form **5558**
(Rev. August 2012)

Department of the Treasury
Internal Revenue Service

# Application for Extension of Time To File Certain Employee Plan Returns

► **For Privacy Act and Paperwork Reduction Act Notice, see instructions.**
► **Information about Form 5558 and its instructions is at *www.irs.gov/form5558***

OMB No. 1545-0212

**File With IRS Only**

## Part I Identification

**A** Name of filer, plan administrator, or plan sponsor (see instructions)

Number, street, and room or suite no. (If a P.O. box, see instructions)

City or town, state, and ZIP code

**B** **Filer's identifying number (see instructions)**

Employer identification number (EIN) (9 digits XX-XXXXXXX)

Social security number (SSN) (9 digits XXX-XX-XXXX)

| **C** Plan name | Plan number | Plan year ending— MM | DD | YYYY |
|---|---|---|---|---|
| | | | | |

## Part II Extension of Time To File Form 5500 Series, and/or Form 8955-SSA

**1** ☐ Check this box if you are requesting an extension of time on line 2 to file the first Form 5500 series return/report for the plan listed in Part 1, C above.

**2** I request an extension of time until ____/____/____ to file Form 5500 series (see instructions).
**Note.** A signature IS NOT required if you are requesting an extension to file Form 5500 series.

**3** I request an extension of time until ____/____/____ to file Form 8955-SSA (see instructions).
**Note.** A signature IS NOT required if you are requesting an extension to file Form 8955-SSA.

The application **is automatically approved** to the date shown on line 2 and/or line 3 (above) if: **(a)** the Form 5558 is filed on or before the normal due date of Form 5500 series, and/or Form 8955-SSA for which this extension is requested, and **(b)** the date on line 2 and/or line 3 (above) is not later than the 15th day of the third month after the normal due date.

## Part III Extension of Time To File Form 5330 *(see instructions)*

**4** I request an extension of time until ____/____/____ to file Form 5330.
You may be approved for up to a 6 month extension to file Form 5330, after the normal due date of Form 5330.

**a** Enter the Code section(s) imposing the tax . . . . . ► **a**

**b** Enter the payment amount attached . . . . . ► **b**

**c** For excise taxes under section 4980 or 4980F of the Code, enter the reversion/amendment date . . . ► **c**

**5** **State in detail why you need the extension:**

Under penalties of perjury, I declare that to the best of my knowledge and belief, the statements made on this form are true, correct, and complete, and that I am authorized to prepare this application.

**Signature ►** **Date ►**

# General Instructions

*Section references are to the Internal Revenue Code unless otherwise noted.*

## What's New

The June 2011 version of Form 5558 required a signature for extensions of time to file Form 8955-SSA. A signature is no longer required for an extension to file Form 8955-SSA. As under the June 2011 version of Form 5558, a signature is also not required to extend the time to file Form 5500 series; however, a signature is still required to extend the time to file Form 5330.

The June 2011 version of the Form 5558 provided space for the names of three plans; as a result a single Form 5558 could be used to extend the time to file returns for three plans. The Form 5558 now limits the extension to a single plan. Applications for extensions of other plans must be submitted on additional Forms 5558. As under current rules, lists of other plans should not be attached to a Form 5558. Lists attached to Form 5558 will not be processed. Only the plan listed on Form 5558 will be processed.

A new checkbox has been added for recently adopted plans that are requesting an extension of time to file a Form 5500 series return/report where a Form 5500 series return/report is being filed for that plan for the first time.

## Future Developments

For the latest information about developments related to Form 5558 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/form5558*.

## Purpose of Form

Use Form 5558 to apply for a one-time extension of time to file the Form 5500 series (Form 5500, Annual Return/Report of Employee Benefit Plan; Form 5500-SF, Short Form Annual Return/Report of Small Employee Benefit Plan; Form 5500-EZ, Annual Return of One-Participant (Owners and Their Spouses) Retirement Plan); Form 8955-SSA, Annual Registration Statement Identifying Separated Participants With Deferred Vested Benefits; or Form 5330, Return of Excise Taxes Related to Employee Benefit Plans.




*To avoid processing delays, the most recent version of this Form 5558 should always be used. For example, this Form 5558 (Rev. August 2012) should be used instead of the June 2011 version or any other prior version. To determine the most recent version of this Form, go to* IRS.gov/retirement.

## Where To File

File Form 5558 with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201-0045.

**Private delivery services.** You can use certain private delivery services designated by the IRS to meet the "timely mailing treated as timely filing/paying" rule for tax returns and payments. If you use a private delivery service designated by the IRS (rather than the U.S. Postal Service) to send your return, the postmark date generally is the date the private delivery service records in its database or marks on the mailing label. The private delivery service can tell you how to get written proof of this date.

The following are designated private delivery services:

- DHL Express (DHL): DHL Same Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2 Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

# Specific Instructions

## Part I. Identification

### A. Name and Address

Enter your name and address in the heading if you are requesting an extension of time to file the Form 5500, Form 5500-SF, Form 5500-EZ and/or Form 8955-SSA or Form 5330.

The plan sponsor (generally, the employer for a single-employer plan) or plan administrator listed on the application should be the same as the plan sponsor or plan administrator listed on the annual return/report filed for the plan.

Include the suite, room, or other unit number after the street address. If the Post Office does not deliver mail to the street address and you have a P.O. box, show the box number instead of the street address.

If the entity's address is outside the United States or its possessions, or territories, enter in the space for city or town, state, and ZIP code, the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. Do not abbreviate the country name.

If your mailing address has changed since you filed your last return, use Form 8822, Change of Address, to notify the IRS of the change. A new address shown on Form 5558 will not update your record.

### B. Filer's Identifying Number

**Employer identification number (EIN).** Enter the nine-digit EIN in an XX-XXXXXXX format, assigned to the employer for all applications filed for the Form 5500 series (Form 5500, Form 5500-SF, Form 5500-EZ) and/or Form 8955-SSA. Also enter the EIN for applications filed for Form 5330 (see *Social security number (SSN)* next for exceptions).

If the employer does not have an EIN, the employer must apply for one. An EIN can be applied for:

- Online by clicking the Online EIN Application link at IRS.gov. The EIN is issued immediately once the application information is validated.

**Note.** The online application process is not yet available for corporations with addresses in foreign countries.

- By telephone at 1-800-829-4933.
- By fax using the FAX-TIN numbers for your state listed in the Instructions for Form SS-4.
- Employers who do not have an EIN may apply for one by attaching a completed Form SS-4, Application for Employer Identification Number, to this form.

**Social security number (SSN).** If you made excess contributions to a section 403(b)(7)(A) custodial account or you are a disqualified person other than an employer, and you are applying for an extension of time to file Form 5330, enter your nine-digit SSN in an XXX-XX-XXXX format. Do not enter your SSN for Form 5500, Form 5500-SF, Form 5500-EZ, or Form 8955-SSA.

### C. Plan Information

Complete the plan name, plan number, and plan year ending for the plan included on this Form 5558.

## Part II. Extension of Time To File Form 5500 Series and/or Form 8955-SSA

Use Form 5558 to apply for a one-time extension of time to file the Form 5500 series (Form 5500, Form 5500-SF, Form 5500-EZ) and/or Form 8955-SSA.




*Do not include the Form 5500 series (Form 5500, Form 5500-SF, Form 5500-EZ) or the Form 8955-SSA with this form.*

***Exception:*** Form 5500, Form 5500-SF, Form 5500-EZ, and Form 8955-SSA filers are automatically granted extensions of time to file until the extended due date of the federal income tax return of the employer (and are not required to file Form 5558) if both of the following conditions are met: (1) the plan year and the employer's tax year are the same; and (2) the employer has been granted an extension of time to file its federal income tax return to a date later than the normal due date for filing the Form 5500, Form 5500-SF, Form 5500-EZ, or Form 8955-SSA. An extension granted under this exception cannot be extended further by filing a Form 5558 after the normal due date of the Form 5500, Form 5500-SF, Form 5500-EZ, or Form 8955-SSA.

An extension of time to file a Form 5500, Form 5500-SF, Form 5500-EZ, and/or Form 8955-SSA does not operate as an extension of time to file the PBGC (Pension Benefit Guaranty Corporation) Form 1, Annual Premium Payment.

**How to file.** A separate Form 5558 must be used for each plan for which an extension is requested. For example, if an employer maintains a defined benefit plan and a profit-sharing plan, a separate Form 5558 must be filed for each plan. A single Form 5558 may, however, be used to extend the time to file a plan's Form 5500 series return/report and its Form 8955-SSA.

Lists of other plans should not be attached to a Form 5558. Only the plan listed on Form 5558 will be processed. Lists attached to the Form 5558 will not be processed.

**When to file.** To request an extension of time to file Form 5500, Form 5500-SF, Form 5500-EZ, and/or Form 8955-SSA, file Form 5558 on or before the return/report's normal due date. The normal due date is the date the Form 5500, Form 5500-SF, Form 5500-EZ, and/or Form 8955-SSA would otherwise be due, without extension.

Applications for extension of time to file Form 5500, Form 5500-SF, Form 5500-EZ, and/or Form 8955-SSA that are filed on or before the return/report's normal due date on a properly completed Form 5558 will be automatically approved to the date that is no later than the 15th day of the third month after the return/report's normal due date.

**Note.** If the filing date falls on a Saturday, Sunday, or a legal holiday, the return may be filed on the next day that is not a Saturday, Sunday, or a legal holiday.

Approved copies of Form 5558 requesting an extension to file Form 5500, Form 5500-SF, Form 5500-EZ, and/or Form 8955-SSA will not be returned to the filer from the IRS.

**Line 1.** Check this box if the extension of time being requested on line 2 is for the first Form 5500 series return/report filed for the plan. This box should not be checked if the plan previously filed a Form 5500 series return/report at any time for any year.

**Line 2.** Enter on line 2 the due date for which you are requesting to file Form 5500, Form 5500-SF, or Form 5500-EZ. This date should not be later than the 15th day of the third month after the normal due date of the return/report.

When using Form 5558 to request an extension of time to file Form 5500, Form 5500-SF, or Form 5500-EZ, plan sponsors or plan administrators are not required to sign the form. If Form 5558 is timely filed and complete, you will be granted an extension not later than the 15th day of the third month after the return/report's normal due date to file Form 5500, Form 5500-SF, or Form 5500-EZ.

**Line 3.** Enter on line 3 the due date for which you are requesting to file Form 8955-SSA. This date should not be later than the 15th day of the third month after the normal due date of the return.

When using Form 5558 to request an extension of time to file Form 8955-SSA, plan sponsors or plan administrators are not required to sign the form. If Form 5558 is timely filed and complete, you will be granted an extension not later than the 15th day of the third month after the return's normal due date to file Form 8955-SSA.

## Part III. Extension of Time To File Form 5330

File one Form 5558 to request an extension of time to file Form 5330 for excise taxes with the same filing due date. For specific information on excise tax due dates, see the Instructions for Form 5330.

CAUTION *An extension of time to file does not extend the time to pay the tax due. Any tax due must be paid with this application for an extension of time to file Form 5330. Additionally, interest is charged on taxes not paid by the due date even if an extension of time to file is granted.*

**Note.** The IRS will no longer return stamped copies of the Form 5558 to filers who request an extension of time to file a Form 5330. Instead you will receive a computer generated notice to inform you if your extension is approved or denied. Because of this change, we ask you to attach a photocopy of this notice to your Form 5330.

**When to file.** To request an extension of time to file Form 5330, file Form 5558 in sufficient time for the IRS to consider and act on it before the return's normal due date.

The normal due date is the date the Form 5330 would otherwise be due, without extension.

**Line 4.** On line 4, enter the requested due date. If your application for extension of time to file Form 5330 is approved, you may be granted an extension of up to 6 months after the normal due date of Form 5330.

**Line 4a.** Indicate the section(s) for the excise tax for which you are requesting an extension.

**Line 4b.** Enter the amount of tax estimated to be due with Form 5330 and attach your payment to this form.

Make your check or money order payable to the "United States Treasury." Do not send cash. On all checks or money orders, write your name, filer's identifying number (EIN or SSN), plan number, Form 5330 section number, and the tax year to which the payment applies.

If you changed your mailing address after you filed your last return, use Form 8822 to notify the IRS of the change. You can get Form 8822 by calling 1-800-829-3676 or you can access the IRS website at IRS.gov 24 hours a day, 7 days a week.

**Line 5.** The IRS will grant a reasonable extension of time (not to exceed 6 months) for filing Form 5330 if you file a timely application showing that you are unable to file Form 5330 because of circumstances beyond your control. Clearly describe these circumstances. Generally, an application will be considered on the basis of your own efforts to fulfill this filing responsibility, rather than the convenience of anyone providing help in preparing the return. However, consideration will be given to any circumstances that prevent your practitioner, for reasons beyond his or her control, from filing the return by the normal due date, and to circumstances in which you are unable to get needed professional help in spite of timely efforts to do so.

CAUTION *If we grant you an extension of time to file Form 5330 and later find that the statements made on this form are false or misleading, the extension will be null and void. A late filing penalty associated with the form for which you filed this extension will be charged.*

## Signature

If you are filing Form 5558 for an extension to file Form 5330, the Form 5558 must be signed. The person who signs this form may be an employer, a plan sponsor, a plan administrator, a disqualified person required to file Form 5330, an attorney or certified public accountant qualified to practice before the IRS, a person enrolled to practice before the IRS, or a person holding a power of attorney.

If you are filing Form 5558 for an extension to file Form 5500 series return/report or Form 8955-SSA, a signature is not required.

## Privacy Act and Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States and the Employee Retirement Income Security Act of 1974 (ERISA). We need it to determine if you are entitled to an extension of time to file Form 5500, Form 5500-SF, Form 5500-EZ, and/or Form 8955-SSA, or Form 5330. You are not required to request an extension; however, if you want an extension, section 6081 requires you to provide the information. Section 6109 requires you to provide your identification number. Failure to provide this information may delay or prevent processing your request; providing false information may subject you to penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential as required by section 6103.

However, section 6103 allows or requires the Internal Revenue Service to disclose this information to others. We may disclose to the Department of Justice for civil or criminal litigation, to the Department of Labor and the Pension Benefit Guaranty Corporation for the administration of ERISA, and to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. We may also disclose the information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time: 24 minutes.

If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:M:S, 1111 Constitution Ave., NW, IR-6526, Washington, DC 20224. Do not send the tax form to this address. Instead, see *Where To File*.

| SCHEDULE SB (Form 5500) | Single-Employer Defined Benefit Plan Actuarial Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).<br>▶ File as an attachment to Form 5500 or 5500-SF. | 2016<br>This Form is Open to Public Inspection |

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

| A Name of plan | B Three-digit plan number (PN) ▶ | |
|---|---|---|
| RETIREMENT INCOME PLAN FOR EMPLOYEES OF EL PASO ELECTRIC COMPANY | | 001 |
| **C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF | **D** Employer Identification Number (EIN) | |
| EL PASO ELECTRIC COMPANY | 74-0607870 | |

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

## Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2016

| | | | |
|---|---|---|---|
| 2 Assets: | | | |
| a Market value | 2a | | 267,120,811 |
| b Actuarial value | 2b | | 281,951,324 |

| 3 Funding target/participant count breakdown | (1) Number of participants | (2) Vested Funding Target | (3) Total Funding Target |
|---|---|---|---|
| a For retired participants and beneficiaries receiving payment | 656 | 108,953,469 | 108,953,469 |
| b For terminated vested participants | 373 | 16,416,331 | 16,416,331 |
| c For active participants | 1,071 | 99,907,228 | 115,814,962 |
| d Total | 2,100 | 225,277,028 | 241,184,762 |

| | | | |
|---|---|---|---|
| 4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ] | | | |
| a Funding target disregarding prescribed at-risk assumptions | 4a | | |
| b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor | 4b | | |
| 5 Effective interest rate | 5 | | 6.04% |
| 6 Target normal cost | 6 | | 7,536,109 |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

| SIGN HERE | BJR | 9/12/2017 |
|---|---|---|
| | Signature of actuary | Date |
| BRANDON J ROBERTSON | | 1707568 |
| Type or print name of actuary | | Most recent enrollment number |
| PRICEWATERHOUSECOOPERS LLP | | 312-298-4143 |
| Firm name | | Telephone number (including area code) |
| ONE NORTH WACKER<br>CHICAGO IL 60606<br>Address of the firm | | |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

## Part II Beginning of Year Carryover and Prefunding Balances

| | | (a) Carryover balance | (b) Prefunding balance |
|---|---|---|---|
| 7 | Balance at beginning of prior year after applicable adjustments (line 13 from prior year) | 0 | 30,612,573 |
| 8 | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) | 0 | 0 |
| 9 | Amount remaining (line 7 minus line 8) | 0 | 30,612,573 |
| 10 | Interest on line 9 using prior year's actual return of -0.85% | 0 | -260,207 |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| | a Present value of excess contributions (line 38a from prior year) | | 6,670,350 |
| | b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.23% | | 415,563 |
| | b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return | | 0 |
| | c Total available at beginning of current plan year to add to prefunding balance | | 7,085,913 |
| | d Portion of (c) to be added to prefunding balance | | 2,000,000 |
| 12 | Other reductions in balances due to elections or deemed elections | | |
| 13 | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) | 0 | 32,352,366 |

## Part III Funding Percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 103.48% |
| 15 | Adjusted funding target attainment percentage | 15 | 116.90% |
| 16 | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 16 | 103.54% |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. | 17 | % |

## Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees | (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees |
|---|---|---|---|---|---|
| 01/06/2017 | 894,448 | 0 | | | |
| 02/02/2017 | 800,694 | 0 | | | |
| 03/02/2017 | 800,694 | 0 | | | |
| 04/04/2017 | 800,694 | 0 | | | |
| 05/02/2017 | 800,694 | 0 | | | |
| 06/02/2017 | 800,694 | 0 | | | |
| 07/05/2017 | 800,694 | 0 | | | |
| 08/02/2017 | 800,694 | 0 | | | |
| 09/05/2017 | 800,694 | 0 | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | Totals ▶ 18(b) | 7,300,000 | 18(c) 0 |

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

| | | |
|---|---|---|
| a Contributions allocated toward unpaid minimum required contributions from prior years | 19a | 0 |
| b Contributions made to avoid restrictions adjusted to valuation date | 19b | 0 |
| c Contributions allocated toward minimum required contribution for current year adjusted to valuation date | 19c | 6,751,545 |

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [ ] Yes [X] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [ ] Yes [ ] No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---|---|---|---|
| | | | |

## Part V Assumptions Used to Determine Funding Target and Target Normal Cost

**21** Discount rate:

**a** Segment rates:

| 1st segment: | 2nd segment: | 3rd segment: | ☐ N/A, full yield curve used |
|---|---|---|---|
| 4.43 % | 5.91 % | 6.65% | |

| | | |
|---|---|---|
| **b** Applicable month (enter code) | 21b | 0 |
| **22** Weighted average retirement age | 22 | 63 |

**23** Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

## Part VI Miscellaneous Items

**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

| | | |
|---|---|---|
| **27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment | 27 | |

## Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

| | | |
|---|---|---|
| **28** Unpaid minimum required contributions for all prior years | 28 | 0 |
| **29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) | 29 | 0 |
| **30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) | 30 | 0 |

## Part VIII Minimum Required Contribution For Current Year

**31** Target normal cost and excess assets (see instructions):

| | | |
|---|---|---|
| **a** Target normal cost (line 6) | 31a | 7,536,109 |
| **b** Excess assets, if applicable, but not greater than line 31a | 31b | 7,536,109 |

**32** Amortization installments:

| | Outstanding Balance | Installment |
|---|---|---|
| **a** Net shortfall amortization installment | 0 | 0 |
| **b** Waiver amortization installment | 0 | 0 |

| | | |
|---|---|---|
| **33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount | 33 | |
| **34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) | 34 | 0 |

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances elected for use to offset funding requirement | 0 | 0 | 0 |

| | | |
|---|---|---|
| **36** Additional cash requirement (line 34 minus line 35) | 36 | 0 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) | 37 | 6,751,545 |
| **38** Present value of excess contributions for current year (see instructions) | | |
| **a** Total (excess, if any, of line 37 over line 36) | 38a | 6,751,545 |
| **b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances | 38b | 0 |
| **39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) | 39 | 0 |
| **40** Unpaid minimum required contributions for all years | 40 | 0 |

## Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

**41** If an election was made to use PRA 2010 funding relief for this plan:

**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years

**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

| | | |
|---|---|---|
| **42** Amount of acceleration adjustment | 42 | |
| **43** Excess installment acceleration amount to be carried over to future plan years | 43 | |

**Attachment to the 2016 Schedule SB (Form 5500)**

**Retirement Income Plan for Employees of El Paso Electric Company**
**EIN/PN: 74-0607870 / 001**

## Schedule SB, Line 22 – Description of Weighted Average Retirement Age

The retirement assumption is an age and service based table of rates. The likelihood of remaining in active employment until each assumed retirement age and then retiring at that age was computed for each active participant in the plan as of January 1, 2016, based on the demographic assumptions used in the January 1, 2016 valuation. The results for each individual participant were then aggregated to determine the weighted average retirement age.

Weighted average retirement age calculation:

| (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|
| Retirement Age | Expected Active Headcount | Weighted Average Retirement Rate | Expected Retirements (b) * (c) | Weighted Age (a) * (d) |
| 55 | 486.41 | 0.0624 | 30.35 | 1,669.25 |
| 56 | 482.63 | 0.0578 | 27.90 | 1,562.40 |
| 57 | 481.32 | 0.0604 | 29.07 | 1,656.99 |
| 58 | 479.78 | 0.0619 | 29.70 | 1,722.60 |
| 59 | 470.93 | 0.0635 | 29.90 | 1,764.10 |
| 60 | 463.73 | 0.0805 | 37.33 | 2,239.80 |
| 61 | 434.04 | 0.0654 | 28.39 | 1,731.79 |
| 62 | 421.51 | 0.2157 | 90.92 | 5,637.04 |
| 63 | 349.15 | 0.0985 | 34.39 | 2,166.57 |
| 64 | 322.10 | 0.1541 | 49.64 | 3,176.96 |
| 65 | 285.45 | 0.7403 | 211.32 | 13,735.80 |
| 66 | 77.82 | 0.7386 | 57.48 | 3,793.68 |
| 67 | 26.15 | 0.7343 | 19.20 | 1,286.40 |
| 68 | 12.54 | 0.7277 | 9.12 | 620.16 |
| 69 | 6.21 | 0.7153 | 4.45 | 307.05 |
| 70 | 1.67 | 0.8768 | 1.46 | 102.20 |
| 71 | 0.20 | 1 | 0.20 | 14.20 |
| 72 | 1.00 | 0.8375 | 0.84 | 60.48 |
| 73 | 1.00 | 1.000 | 1.00 | 73.00 |
| Total: | | | 692.66 | 43,320.47 |

Total of (e) / (d) = 43,320.47 / 692.66 = 62.54

**Average retirement age (rounded) is 63.**

**Attachment to the 2016 Schedule SB (Form 5500)**

**Retirement Income Plan for Employees of El Paso Electric Company**
**EIN/PN: 74-0607870 / 001**

**Schedule SB, Line 26 – Schedule of Active Participant Data**

Completed Years of Service on January 1, 2016

| Attained | Under 1 | | 1 to 4 | | 5 to 9 | | 10 to 14 | | 15 to 19 | | 20 to 24 | | 25 to 29 | | 30 to 34 | | 35 to 39 | | 40 & up | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. |
| Under 25 | 2 | | 22 | 47,978 | | | | | | | | | | | | | | | | |
| 25 to 29 | 8 | | 68 | 59,192 | 6 | | | | | | | | | | | | | | | |
| 30 to 34 | 1 | | 72 | 66,773 | 35 | 78,453 | 5 | | | | | | | | | | | | | |
| 35 to 39 | 6 | | 52 | 76,180 | 39 | 75,932 | 15 | | 5 | | | | | | | | | | | |
| 40 to 44 | 4 | | 42 | 80,024 | 36 | 76,433 | 33 | 83,557 | 15 | | 10 | | 1 | | | | | | | |
| 45 to 49 | 2 | | 19 | | 23 | 94,666 | 24 | 78,489 | 9 | | 21 | 91,047 | 15 | | | | | | | |
| 50 to 54 | 3 | | 13 | | 20 | 112,732 | 10 | | 14 | | 32 | 81,319 | 45 | 85,562 | 17 | | 7 | | | |
| 55 to 59 | 1 | | 8 | | 13 | | 9 | | 9 | | 26 | 92,956 | 43 | 84,164 | 24 | 90,775 | 36 | 82,912 | 9 | |
| 60 to 64 | | | 3 | | 7 | | 7 | | 6 | | 12 | | 5 | | 12 | | 29 | 103,144 | 25 | 103,323 |
| 65 to 69 | | | 1 | | 2 | | | | 2 | | | | 3 | | 4 | | 7 | | 15 | |
| 70 & up | | | | | | | 1 | | | | 1 | | | | | | | | | |

Based on credited service and pensionable compensation (up to the 2016 401(a)(17) limit) as defined by the terms of the Plan.

**Attachment to the 2016 Schedule SB (Form 5500)**

**Retirement Income Plan for Employees of El Paso Electric Company**
**EIN / PN: 74-0607870 / 001**

## Schedule SB, Part V – Summary of Plan Provisions

The plan provisions used to determine plan funding requirements for the 2016 plan year were based on the provisions of the plan as in effect on January 1, 2016. A summary of the major plan provisions is as shown below:

| | |
|---|---|
| Plan Year | A Plan Year means a calendar year. |
| Participation Requirements | |
| Final Average Pay | Prior to April 1, 2014, each employee who has completed a year of Eligibility Service shall become a Member in the plan. An employee receives a year of Eligibility Service if he completes 1,000 or more Hours of Service within a 12 month period commencing with his date of employment or any anniversary date. |
| Cash Balance Participants, for Final Average Pay Benefit | Effective April 1, 2014, an employee hired or re-hired on or after April 1, 2014 shall become a Cash Balance Member on his employment commencement date or re-employment commencement date. An employee who is hired or re-hired after December 31, 2013 and before April 1, 2014 shall become a Cash Balance Member on April 1, 2014. |
| Vesting Service | Any Plan Year during which the employee completes 1,000 or more Hours of Service. |
| Benefit Accrual Service | |
| Final Average Pay | Prior to July 1, 1976, a Member receives credit for each month of employment. After July 1, 1976, a Member receives credit for one full year for each Plan Year in which he completes 1,000 or more Hours of Service. |

**Attachment to the 2016 Schedule SB (Form 5500)**

**Retirement Income Plan for Employees of El Paso Electric Company**
**EIN / PN: 74-0607870 / 001**

**Schedule SB, Part V – Summary of Plan Provisions**

| | |
|---|---|
| Benefit Accrual Service (continued)<br>Cash Balance | Prior to July 1, 1976, a Member receives credit for each month of employment. After July 1, 1976 and prior to January 1, 2014, a Member receives credit for one full year for each Plan Year in which he completes 1,000 or more Hours of Service. A Cash Balance Member (other than a Cash Balance Member who is hired or re-hired after December 31, 2013 and before April 1, 2014) who completes at least one Hour of Service during the period beginning January 1, 2014 and ending March 31, 2014 shall receive credit for 0.25 year of Benefit Accrual Service for the 2014 Plan Year. After March 31, 2014, no additional Benefit Accrual Service shall be earned by a Cash Balance Member. |
| Considered Earnings | An employee's annualized rate of basic compensation, excluding overtime, bonuses, expense allowances, profit sharing, and any other extra compensation in any form. |
| Average Monthly Earnings | For a Final Average Pay Participant, the monthly average of a Member's Considered Earnings computed by summing his Considered Earnings as of any date and for each of the days beginning the four years preceding such date, and dividing by sixty.<br><br>For a Cash Balance Participant who is employed by the employer as of April 1, 2014 and becomes a Cash Balance Participant as of April 1, 2014, the monthly average of a Participant's Considered Earnings computed by summing his Considered Earnings as of March 31, 2014 and as of March 31 of the preceding four calendar years and dividing by sixty. |

**Attachment to the 2016 Schedule SB (Form 5500)**

**Retirement Income Plan for Employees of El Paso Electric Company**
**EIN / PN: 74-0607870 / 001**

## Schedule SB, Part V – Summary of Plan Provisions

Accrued Benefit

Final Average Pay

The monthly accrued benefit payable as a single life annuity upon Normal Retirement is the greater of (a), (b), (c) or (d) below, less any frozen benefit provided under group annuity contracts deemed purchased prior to August 1, 1989 as illustrated in Appendix A of the plan document:

(a) 1-1/4% of Average Monthly Earnings multiplied by years of Benefit Accrual Service.

(b) $25.00 multiplied by years of Projected Benefit Accrual Service at normal retirement date, not to exceed 10.

This amount multiplied by the ratio of years of Benefit Accrual Service earned to date, divided by years of Projected Benefit Accrual Service at normal retirement date. This benefit shall be no greater than $250 per month.

(c) Amount of benefit payable in accordance with the Plan in effect on June 30, 1982 with Earnings frozen at the rate on June 30, 1982.

(d) Amount of accrued benefit earned as of October 17, 1990 under the prior benefit formula.

Cash Balance

The Accrued Benefit for a Cash Balance Member is (a) plus (b), as follows:

(a) The benefit accrued under the Plan prior to becoming a Cash Balance Member, as determined under the Final Average Pay formula above.

(b) The Cash Balance Account, consisting of pay credits and interest credits.

**Attachment to the 2016 Schedule SB (Form 5500)**

**Retirement Income Plan for Employees of El Paso Electric Company**
**EIN / PN: 74-0607870 / 001**

**Schedule SB, Part V – Summary of Plan Provisions**

Accrued Benefit (continued)

Cash Balance (continued)

Pay Credits

For each Plan Year beginning January 1, 2014, a Cash Balance Member shall receive a pay credit to his Cash Balance Account as of the last day of the Plan year (or termination date, if earlier). The pay crediting rate is based upon the member's age and years of Vesting Service, as shown below:

| Age Plus Vesting Service | Percentage of Base Pay for the Plan Year |
|---|---|
| Less than 30 | 3.00% |
| 30-39 | 4.00% |
| 40-49 | 5.00% |
| 50-59 | 6.00% |
| 60-69 | 7.00% |
| 70-79 | 8.00% |
| 80 or More | 9.00% |

Interest Credits

Interest credits are allocated to the Cash Balance Account as of the last day of each month. The interest credit is determined by multiplying the Cash Balance Account as of the last day of the preceding month by the 30-Year Treasury Bond Rate for the month, which when compounded monthly for the 12 months of the Plan Year, is equal to the 30-Year Treasury Bond Rate for August of the preceding year (but no less than 3.80% for the Plan Year, compounded monthly).

Normal Retirement

Commencement of a Member's Accrued Benefit on the first date of the month coincident with or next following the later of a Member's 65$^{th}$ birthday or completion of 5 years of Vesting Service.

**Attachment to the 2016 Schedule SB (Form 5500)**

**Retirement Income Plan for Employees of El Paso Electric Company**
**EIN / PN: 74-0607870 / 001**

**Schedule SB, Part V – Summary of Plan Provisions**

| | |
|---|---|
| Late Retirement | A participant who continues working after reaching his 65th birthday will continue to accrue benefits in accordance with the formula, using earnings and service to actual retirement. |
| Early Retirement | |
| Final Average Pay | After attainment of age 55 and completion of 5 years of Vesting Service, the participant may elect to commence his Accrued Benefit on a reduced basis prior to age 65. If the participant retires with at least 20 years of Vesting Service, he may receive his Accrued benefit as early as age 62 without any reduction. If the sum of the participant's age and years of Vesting Service equals or exceeds 85, he may receive his Accrued Benefit without any reduction. |
| Cash Balance | After attainment of age 55 and completion of 3 years of Vesting Service, the participant may elect to commence his total Accrued Benefit prior to age 65. The Cash Balance Member may receive his Frozen Final Average Pay Accrued Benefit on a reduced basis prior to age 65 (as described above) and his Cash Balance Account without any reduction. |
| Disability Benefit | |
| Final Average Pay | Payable to a participant beginning at Normal Retirement Date after becoming totally and permanently disabled while employed by the company. The annuity payable is based on Average Monthly Earnings at date of Disability and Benefit Service, including all credit for all years while disabled, at Normal Retirement Date. The qualified joint and spouse survivor death benefit will apply. |

| | |
|---|---|
| Disability Benefit (continued) | |
| Cash Balance | Payable to a participant immediately after becoming totally and permanently disabled while employed by the company. The benefit payable is the Frozen Final Average Pay Accrued Benefit as of March 31, 2014 and the Cash Balance Account based on Considered Earnings and Vesting Service through date of Disability. |
| Separation Benefit | |
| Final Average Pay | Upon termination on or after attaining 5 years of Vesting Service, 100% of the Accrued Benefit will be payable as of the Normal Retirement Date or the participant may elect Early Retirement upon attainment of age 55. |
| Cash Balance | Upon termination on or after attaining 3 years of Vesting Service, 100% of the Frozen Final Average Pay Accrued Benefit will be payable as of the Normal Retirement Date, or the participant may elect to commence benefits anytime after his termination date. In addition, 100% of the Cash Balance Account will be payable as of the first day of any month following his termination of employment |
| Pre-Retirement Spouse's Benefit | |
| Before Normal Retirement Age | Payable upon the death of a participant employed by the company who had completed 5 years of Vesting Service. If the participant dies before attaining age 50 with 10 years of service, the amount payable to the spouse, to whom the participant was legally married during the one year period immediately preceding his death, is 50% of the amount the participant would have been entitled to had the participant separated from service on the date of his death, survived to the earliest retirement age, retired with an immediate qualified joint and survivor annuity and died the day after the earliest retirement age. If the participant dies after attaining age 50 with 10 years of service, the amount payable to the eligible spouse is 50% of the participant's Accrued Benefit. |

**Attachment to the 2016 Schedule SB (Form 5500)**

**Retirement Income Plan for Employees of El Paso Electric Company**
**EIN / PN: 74-0607870 / 001**

**Schedule SB, Part V – Summary of Plan Provisions**

| | |
|---|---|
| Pre-Retirement Death Benefit After Normal Retirement Age | If the participant dies after his Normal Retirement Age but before benefit payments commence, survivorship benefits will be paid in accordance with the form in which the participant's benefits would be paid if he had retired on the first day of the month following his date of death. |
| Special Death Benefit for Cash Balance Members | Payable upon the death of a participant who has not received a lump sum distribution or commenced a pension distribution from the Plan of his total Accrued Benefit. The amount payable to the Cash Balance Member's surviving spouse or beneficiary is (1) the Cash Balance Member's Accrued Benefit attributable to his Cash Balance Account, and if applicable, (2) the benefit that would be payable as a Pre-Retirement Spouse's Benefit Before Normal Retirement Age or Pre-Retirement Death Benefit After Normal Retirement Age based on the Cash Balance Member's Accrued Benefit not attributable to his Cash Balance Account. The total Special Death Benefit for Cash Balance Members shall be payable as a lump sum distribution or single life annuity. |
| Payment Options | |
| Final Average Pay | Automatic–If the participant is married on his Benefit Commencement Date, a 50% joint and survivor annuity option will be payable. If the participant is not married on the Benefit Commencement Date, a single life annuity will be payable.<br><br>Elective–Alternate joint and survivor annuities selected percentages up to 100% to the survivor, or a 120-month certain and life annuity. |

**Attachment to the 2016 Schedule SB (Form 5500)**

**Retirement Income Plan for Employees of El Paso Electric Company**
**EIN / PN: 74-0607870 / 001**

**Schedule SB, Part V – Summary of Plan Provisions**

| | |
|---|---|
| Payment Options (continued) | |
| Cash Balance | Automatic–If the participant is married on his Benefit Commencement Date, a 50% joint and survivor annuity option will be payable. If the participant is not married on the Benefit Commencement Date, a single life annuity will be payable.<br><br>Elective–Alternate joint and survivor annuities selected percentages up to 100% to the survivor, or a 120-month certain and life annuity or a lump sum distribution. |
| Automatic Cash Out | Upon termination of service, if the lump sum value of the accrued benefit is less than $1,000, the lump sum amount is paid as soon as practical after termination. |
| Changes since January 1, 2015 | |
| Valuation | None. |

**Attachment to the 2016 Schedule SB (Form 5500)**

**Retirement Income Plan for Employees of El Paso Electric Company**
**EIN / PN: 74-0607870 / 001**

## Schedule SB, Part V – Statement of Actuarial Assumptions / Methods

### A. Actuarial Assumptions

Mortality

IRS 2016 Static Mortality Tables

Withdrawal and Disability

Sample rates are shown below:

| Attained Age | Percentage of Employees Withdrawing from Employment During the Year of Age Shown: Males | Females | Disabled |
|---|---|---|---|
| 20 | 7.5% | 9.0% | 0.14% |
| 25 | 7.5% | 9.0% | 0.15% |
| 30 | 7.5% | 9.0% | 0.16% |
| 35 | 6.0% | 9.0% | 0.19% |
| 40 | 4.5% | 9.0% | 0.30% |
| 45 | 3.0% | 6.0% | 0.45% |
| 50 | 1.5% | 3.0% | 0.69% |

Retirement (Not-at-risk funding target)

Sample rates are shown below:

| Attained Age | Percentage of Employees Retiring from Employment During the Year of Age Shown: Reduced Early Retirement | Unreduced Retirement | Terminated Vested Participants |
|---|---|---|---|
| 55 | 5.0% | 15.0% | 5.0% |
| 56-59 | 5.0% | 10.0% | 5.0% |
| 60 | 5.0% | 15.0% | 5.0% |
| 61 | 5.0% | 10.0% | 5.0% |
| 62 | 20.0% | 25.0% | 20.0% |
| 63 | 10.0% | 10.0% | 10.0% |
| 64 | 10.0% | 25.0% | 10.0% |
| 65-69 | | 75.0% | 100.0% |
| 70 | | 100.0% | 100.0% |

**Attachment to the 2016 Schedule SB (Form 5500)**

**Retirement Income Plan for Employees of El Paso Electric Company**
**EIN / PN: 74-0607870 / 001**

## Schedule SB, Part V – Statement of Actuarial Assumptions / Methods

### A. Actuarial Assumptions

Valuation Interest Rate

January 2016 HATFA segment rates under Section 430 (h)(2)(c ) for Minimum Funding Purposes

| | |
|---|---|
| 1st Segment Rate | 4.43% |
| 2nd Segment Rate | 5.91% |
| 3rd Segment Rate | 6.65% |

January 2016 pre-HATFA and MAP-21 segment rates under Section 430 (h)(2)(c ) for Maximum Funding and PBGC Variable Rate Premium (Alternative Method) Purposes

| | |
|---|---|
| 1st Segment Rate | 1.41% |
| 2nd Segment Rate | 3.96% |
| 3rd Segment Rate | 4.97% |

| | |
|---|---|
| Cash Balance Interest Crediting Rate | 4.20% per annum |
| Salary Scale | 4.50% per annum. |
| IRS Section 415(b) Limits | $210,000 |
| Annual Compensation Limit | $265,000 |

Marital Status:

| | |
|---|---|
| Percentage Married | 75% of participants eligible for pre-retirement death benefits are assumed to have an eligible spouse. |
| Age Difference | Males are assumed to be 3 years older than females. |
| Provision for Expenses | Assumed to be equal to the administrative expenses paid from trust during prior year ($117,135). |

**Attachment to the 2016 Schedule SB (Form 5500)**

**Retirement Income Plan for Employees of El Paso Electric Company**
**EIN / PN: 74-0607870 / 001**

## Schedule SB, Part V – Statement of Actuarial Assumptions / Methods

### A. Actuarial Assumptions

Benefit Form and Timing of Benefit Commencement for Final Average Pay Participants

| | |
|---|---|
| Retirement Eligible: | Immediate Single Life Annuity: 100% |
| Not Retirement Eligible: | Defer Single Life Annuity to Early Retirement: 100% |

Benefit Form and Timing of Benefit Commencement for Cash Balance Participants

| | |
|---|---|
| Retirement Eligible: | Immediate Lump Sum: 90%<br>Immediate Single Life Annuity: 10% |
| Not Retirement Eligible: | Immediate Lump Sum: 81%<br>Immediate Single Life Annuity: 9%<br>Defer Lump Sum to Normal Retirement: 9%<br>Defer Single Life Annuity to Normal Retirement: 1% |

Lump Sum Conversion Assumptions

| | |
|---|---|
| Interest Rate | Applicable segment rates shown above for minimum funding, maximum funding and PBGC variable rate premium purposes. |
| Mortality | IRC 2016 Section 417(e) Table |
| Changes since January 1, 2015 valuation | The mortality table was updated to the IRS 2016 Static Mortality Tables from the IRS 2015 Static Mortality Tables.<br><br>For minimum funding purposes, the interest rate assumptions are the HATFA 2016 segment rates (4.43%/5.91%/6.65%) published by the IRS, as compared to the HATFA 2015 segment rates (4.72%/6.11%/6.81%).<br><br>For maximum funding purposes, the interest rate assumptions are the pre-HATFA 2016 segment rates (1.41%/3.96%/4.97%) published by the IRS, as compared to the pre-HATFA 2015 segment rates (1.22%/4.11%/5.20%). |

**Attachment to the 2016 Schedule SB (Form 5500)**

**Retirement Income Plan for Employees of El Paso Electric Company**
**EIN / PN: 74-0607870 / 001**

## Schedule SB, Part V – Statement of Actuarial Assumptions / Methods

### B. Assumptions Rationale

| | |
|---|---|
| Mortality | The mortality assumption used is prescribed by IRC section 430(h). |
| Withdrawal and Disability | Withdrawal and disability rates are based on historical experience and management's expectations for the future with periodic adjustment based on observed gains and losses caused by withdrawal and disability patterns different than assumed and expectations of management. |
| Retirement | Retirement rates are based on the plan sponsor's historical experience and expectations for the future with periodic adjustment based on observed gains and losses caused by retirement patterns different than assumed and expectations of management. |
| Valuation Interest Rates | The interest rate assumption used is prescribed by IRC section 430(h), reflecting a 0 month look back period as elected by the plan sponsor. The interest rate assumption reflects HATFA for minimum funding purposes, but not for maximum funding or PBGC variable rate premium purposes. |
| Cash Balance Interest Crediting Rate | This assumption is based on a long-term expectation of 30-year Treasury bond rates, since the interest crediting rate is defined in the Plan provisions to be based on the 30-year Treasury Bond rate, not less than 3.80%. |
| Benefit Form and Timing of Benefit Commencement for Cash Balance Participants | This assumption is based on management's best expectations given plan provisions. The lump sum form of payment was added as of April 1, 2014 for cash balance participants as a result of the plan change. The percentage of participants assumed to take a lump sum is based on observed behaviors in other similar plans. For the annuity form of payment, a single life annuity is assumed as it is actuarially equivalent (based on the Plan's actuarial equivalent interest rate and mortality assumptions) to all other annuity forms. |

**Attachment to the 2016 Schedule SB (Form 5500)**

**Retirement Income Plan for Employees of El Paso Electric Company**
**EIN / PN: 74-0607870 / 001**

**Schedule SB, Part V – Statement of Actuarial Assumptions / Methods**

**B. Assumptions Rationale**

| | |
|---|---|
| Lump Sum Conversion Assumption | |
| Interest | Consistent with valuation interest rates prescribed for minimum funding, maximum funding and PBGC variable rate premium purposes. |
| Mortality | The mortality assumption used is prescribed by IRC section 417(e). |
| Salary Scale | This assumption is set based on the plan sponsor's historical experience and expectations for future salary increases with periodic adjustment based on observed gains and losses caused by salary increases different than assumed and expectations of management. |
| Marital Status | The percentage married and spouse age difference assumptions are based on the plan sponsor's historical experience and expectations for the future with periodic adjustment based on observed gains and losses resulting from plan experience different than assumed and expectations of management. |
| Expenses | Assumed to be equal to the administrative expenses paid from the trust during the prior year. |

**Attachment to the 2016 Schedule SB (Form 5500)**

**Retirement Income Plan for Employees of El Paso Electric Company**
**EIN / PN: 74-0607870 / 001**

## Schedule SB, Part V – Statement of Actuarial Assumptions / Methods

### C. Actuarial Methods

1. Actuarial Cost Method

The actuarial cost method is the Unit Credit Actuarial Cost Method, as required by the IRS.

Under this cost method, the target liability is defined as the present value of the accrued benefits on the valuation date. The funding shortfall is the excess, if any, of the amount by which the target liability exceeds the actuarial value of Plan Assets.

The target normal cost, determined on the valuation date, is the amount required to fund the benefit expected to be earned in the current year plus expected administrative expenses.

2. Asset Valuation Method

The Actuarial Value of Assets for 2016 is equal to a two-year quarterly average value of assets, as adjusted for contributions, benefit payments, expenses and investment return between the end of each quarter and the valuation date.

**Schedule I**

**RETIREMENT INCOME PLAN**
**FOR EMPLOYEES OF EL PASO ELECTRIC COMPANY**

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2016

| (a) | (b) Identity of issuer, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | Cash and cash equivalents: | | | |
| | Cash | | $ 455 | 455 |
| * | Wells Fargo Advantage 100% Treasury Money Market | Money market fund, 0.20% at December 31, 2016 | 3,641 | 3,641 |
| | Total cash and cash equivalents | | 4,096 | 4,096 |
| | Common collective trusts: | | | |
| | Equity funds: | | | |
| | Russell 1000 Index Series 1 | 1,013,824.3 equity fund shares | 22,128,857 | 24,960,354 |
| | Russell Large Cap US Equity Fund | 1,044,964.4 equity fund shares | 19,813,290 | 24,765,657 |
| | Russell Emerging Markets Fund | 167,674.2 equity fund shares | 13,280,033 | 13,014,872 |
| | Russell Equity II Fund | 139,570.2 equity fund shares | 12,184,144 | 18,417,681 |
| | Russell International Equity Fund | 728,068.5 equity fund shares | 36,449,483 | 41,740,170 |
| | Russell World Equity Fund | 1,265,362.4 equity fund shares | 17,350,043 | 21,182,166 |
| | Total equity funds | | 121,205,850 | 144,080,900 |
| | Fixed income funds: | | | |
| | Russell 6-Year LDI Fixed Income Fund | 580,564.8 fixed income fund shares | 6,049,738 | 6,525,548 |
| | Russell 8-Year LDI Fixed Income Fund | 783,873.1 fixed income fund shares | 8,156,174 | 8,873,444 |
| | Russell 10-Year LDI Fixed Income Fund | 563,281.6 fixed income fund shares | 5,787,797 | 6,539,700 |
| | Russell 12-Year LDI Fixed Income Fund | 361,801.0 fixed income fund shares | 3,715,220 | 4,200,510 |
| | Russell 14-Year LDI Fixed Income Fund | 469,132.6 fixed income fund shares | 4,773,367 | 5,456,012 |
| | Russell 16-Year LDI Fixed Income Fund | 460,588.9 fixed income fund shares | 4,711,469 | 5,467,190 |
| | Russell TR CO Commingled Emplo 10-Year Strips | 822,296.2 fixed income fund shares | 8,417,268 | 8,806,792 |
| | Russell TR CO Commingled Emplo 15-Year Strips | 797,953.9 fixed income fund shares | 8,284,973 | 8,785,472 |
| | Russell Long Duration Fixed Income Fund | 2,187,165.3 fixed income fund shares | 48,989,998 | 54,701,004 |
| | Total fixed income funds | | 98,886,004 | 109,355,672 |
| | Real estate fund: | | | |
| | Russell GL Real Estate SEC Fund | 348,663.9 real estate fund shares | 8,239,594 | 8,406,287 |
| | Total real estate fund | | 8,239,594 | 8,406,287 |
| | Total common collective trusts | | 228,331,448 | 261,842,859 |
| | Limited partnership interest: | | | |
| | Texas Land Fund No. 6 L.P. | 134 partnership units | 6,725,048 | 6,990,562 |
| | Total Limited partnership interest | | 6,725,048 | 6,990,562 |
| | Total assets held for investment purposes | | $ 235,060,592 | 268,837,517 |

* Represents a party-in-interest investment.

The above information has been certified as complete and accurate by the Trustee, excluding the Texas Land Fund No. 6 L.P.

See accompanying independent auditors' report.

**Schedule II**

**RETIREMENT INCOME PLAN**
**FOR EMPLOYEES OF EL PASO ELECTRIC**

Schedule H, Line 4j – Schedule of Reportable Transactions (Series of Investment Transactions)

Year ended December 31, 2016

| (a) Identity of party involved | (b) Description of asset | (c) Purchase price | (d) Selling price | (e) Lease rental | (f) Expenses incurred with transaction | (g) Cost of asset | (h) Current value of asset on transaction date | (i) Net gain or (loss) |
|---|---|---|---|---|---|---|---|---|
| Series of investment transactions: | | | | | | | | |
| Wells Fargo 100% Treasury Money Market | Money market fund: | | | | | | | |
| | Purchases | $ 11,128,699 | — | — | — | 11,128,699 | 11,128,699 | — |
| | Sales | — | 11,133,220 | — | — | 11,133,220 | 11,133,220 | — |

This schedule includes series of transactions involving the same investment, which, in the aggregate, amounts to more than 5% of the current value of plan assets at the beginning of the plan year.

The above information has been certified as complete and accurate by the Trustee.

See accompanying independent auditors' report.